

O'MELVENY & MYERS LLP

Daniel S. Shamah (*pro hac vice* pending)
Jeffrey A.N. Kopczynski
Joseph Spina
7 Times Square
New York, New York 10036
(212) 326-2000

Evan M. Jones (*pro hac vice* pending)
400 South Hope Street
Los Angeles, California 90071
(213) 430-6000

Attorneys for Samsung Electronics

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY
HONORABLE JOHN K. SHERWOOD
CASE NO. 16-27041 (JKS)

In re:

HANJIN SHIPPING CO., LTD.,¹

Debtor in a Foreign Proceeding.

Chapter 15

**DECLARATION OF JUNG TAE AHN
OF SAMSUNG ELECTRONICS IN
SUPPORT OF STATEMENT OF
SAMSUNG ELECTRONICS
REGARDING VERIFIED PETITION
FOR RECOGNITION AND
PROVISIONAL RELIEF**

I, Jung Tae Ahn, pursuant to 28 U.S.C. § 1746, hereby submit this declaration under penalty of perjury under the laws of the United States as follows:

1. I am the Senior Vice President and Chief Financial Officer of the Visual Display Business Division of Samsung Electronics Co., Ltd. ("**Samsung**"). I submit this declaration in further support of Samsung's statement in support of the *Motion of Foreign Representative for Entry of Provisional and Final Orders Granting Recognition of Foreign Main Proceeding and*

¹ The last four digits of Hanjin Shipping Co., Ltd.'s Business Registration Number are 1835. The Debtor's main corporate and mailing address is Hanjin Shipping Bldg., 25 Gukjegeumyung-Ro 2-Gil, Yeongdeungpo-Gu, Seoul 07327, Korea.

Certain Related Relief Pursuant To Sections 362, 365, 1517, 1519, 1520, 1521, and 105(a) of the Bankruptcy Code [D.I. 5] (the “Recognition and Provisional Relief Motion”).²

2. Samsung is a leading global electronics company headquartered in Korea. It has numerous subsidiaries across the world and is one of the world’s largest consumer electronics, information technology and mobile communications, and device solutions businesses in the world. In that capacity, Samsung regularly ships component parts for manufacturing throughout the world and completed products to customers on ships owned or chartered by Hanjin.

3. Among these products are Samsung parts and finished goods located on two of Hanjin’s vessels that are currently standing off the coast in Long Beach. Unless the Provisional Order is entered expeditiously (and recognition granted), those vessels will be unable to dock and the cargo cannot be unloaded. At this time, the total value of the Visual Display Business Division’s cargo, consisting of 304 containers containing parts and finished goods, is approximately \$24,453,950. In addition, the Home Appliance Business Division currently has 312 containers on Hanjin’s vessels, consisting of finished goods such as refrigerators, washing machines, microwave ovens and dishwashers, whose value is approximately \$13,486,000.

4. If the vessels cannot dock at Long Beach, the finished goods cannot be delivered to Samsung’s retailer customers in the U.S. Moreover, the parts in these containers cannot be transported to Samsung’s factory in Mexico, where they are then assembled into finished products such as televisions. Without those parts, the finished goods cannot be assembled and supplied in time to Samsung’s retail customers and ultimately to U.S. consumers who purchase Samsung products.

5. If the cargo cannot be unloaded immediately, Samsung will be forced to transport alternative parts by air in order to assemble finished goods and enable Samsung to meet

² Capitalized terms not defined herein have the meanings used in the Recognition and Provisional Relief Motion.


its contractual obligations to its customers, which will entail great costs to Samsung. For example, unless the cargo is unloaded immediately, Samsung would have to charter at least 16 planes to transport 1,469 tons of goods at a cost of no less than \$8,800,000. These losses will continue to escalate so long as the cargo aboard these ships remains unloaded.

6. All of these costs and delays will be a loss not only to Samsung but also to major retailers in the United States and, ultimately, to U.S. consumers. The upcoming months are critically important to retailers, particularly ahead of Black Friday and the holiday shopping season. As a result, it is vital to Samsung's and U.S. retailers' interests to avoid major disruptions in production, and, accordingly, entry of the Provisional Order is extremely important.

7. Moreover, I understand that Hanjin has numerous other vessels all over the world that cannot dock at U.S. ports for fear of asset seizures and creditor actions. If these vessels cannot dock, companies like Samsung, U.S. retailers, and U.S. customers will be injured by orders of magnitude greater than the harm Samsung suffers from the delay and increased costs of these two vessels' inability to dock at Long Beach.

8. Accordingly, the Provisional Order should be entered expeditiously to allow Hanjin to continue operations and to avoid piecemeal litigation that could disrupt the delivery of products currently on board Hanjin ships.

Dated: September 6, 2016



Jung Tae Ahn
Senior Vice President